

UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration (Level II) Semester-VIII) Examination
September, 2010

FIN 2106 – Corporate Treasury Management

One (01) Hour

Answer Both Questions

1. i. “With increasing demands in a challenging financial environment, organizations are at the forefront of globalization where they must meet the challenges of managing global operations. This has increased the importance of corporate treasurers and the systems they select to help them to manage their companies' cash flows. The role of a treasurer has expanded beyond traditional treasury functions”.

Explain the changing role of a treasurer based on the above statement.

(30 Marks)

- ii. Explain elements of interest rate risk management.

(15 Marks)

- iii. List five key attributes required for a successful treasury division.

(05 Marks)

(Total 50 Marks)

2. i. “Irrespective of the type of company, effective liquidity management is a core responsibility of its treasury division”. Discuss this statement.

(20 Marks)

- ii. Explain the liquidity management process of an organization.

(15 Marks)

- iii. The treasury division of an organization is responsible for selecting an automated treasury management system.

What are the drivers need to consider when choosing a suitable automated treasury management system?

(15 marks)

(Total 50 Marks)